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**NEWS RELEASE**  
**IMPACT Silver Corp.**

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For Release: October 25, 2012

Trading Symbol: "IPT: TSX.V"

**IMPACT Silver expands the Capire Deposit; intersections include 435 grams per tonne silver across 4.6 meters and 507 grams per tonne silver across 2.05 meters**

**IMPACT Silver Corp.** ("IMPACT" or "The Company") is pleased to announce additional drill results from the open pit Capire mine at the Capire Production Center. The Capire Production Center will initially host a 200 tonne-per-day (tpd) pilot plant, with plans to expand the operation up to 1,500 tpd in the future.

The Capire Project is located within the 200-square-kilometer Mamatla district and is 16 kilometers southwest of IMPACT's active mining operations at the Royal Mines of Zacualpan, Mexico. The current development and subsequent commencement of production at Capire this winter represents the next significant phase of growth for the Company. The mineralization at Capire consists of volcanogenic massive sulphide ("VMS") targets, and the ongoing, aggressive drill program will continue with the objective to further expand and define the deposit and its surrounding zones to determine the potential size of the larger processing plant operation. The planned open-pit trends in an east-west direction and the drill results in the following table highlight additional drilling which extended the deposit to the north and south.

**CAPIRE DRILL RESULTS**

<b>DRILL HOLE</b>	<b>FROM (m)</b>	<b>TO (m)</b>	<b>INTERVAL (m)</b>	<b>Ag (g/t)</b>	<b>Au (g/t)</b>	<b>Pb (%)</b>	<b>Zn (%)</b>	<b>Cu (%)</b>
C12-06	<b>78.25</b>	<b>80.30</b>	<b>2.05</b>	<b>507</b>	<b>1.81</b>	<b>2.20</b>	<b>4.02</b>	<b>0.41</b>
including	79.30	80.30	1.00	929	3.27	2.77	5.27	0.63
and	<b>105.70</b>	<b>110.80</b>	<b>5.10</b>	<b>183</b>	<b>0.20</b>	<b>1.05</b>	<b>2.45</b>	<b>0.13</b>
including	109.80	110.80	1.00	322	0.35	0.44	1.31	0.07
C12-07	39.65	41.15	1.50	238	0.63	0.54	1.12	0.12
C12-08	44.70	45.75	1.05	247	1.63	0.18	0.35	0.11
including	79.30	80.80	1.50	302	0.32	1.20	2.40	0.26
C12-10	62.74	63.34	0.60	218	0.31	1.12	2.64	0.20
C12-21	<b>83.35</b>	<b>100.10</b>	<b>16.75</b>	<b>153</b>	<b>0.40</b>	<b>1.14</b>	<b>2.71</b>	<b>0.21</b>
including	<b>92.40</b>	<b>97.00</b>	<b>4.60</b>	<b>435</b>	<b>0.71</b>	<b>3.13</b>	<b>5.99</b>	<b>0.48</b>
including	95.00	96.00	1.00	1,390	1.39	1.49	2.82	0.63
C12-25	<b>13.20</b>	<b>23.35</b>	<b>10.15</b>	<b>107</b>	<b>0.58</b>	<b>0.90</b>	<b>2.43</b>	<b>0.10</b>
including	13.20	18.30	5.10	150	0.79	1.29	3.54	0.12
including	13.20	15.25	2.05	315	0.91	2.93	8.19	0.25
C12-31	43.70	44.70	1.00	142	1.41	0.14	0.25	0.05
C12-35	123.00	125.05	2.05	219	0.76	1.09	2.89	0.20

The drill holes listed in the table above were drilled vertically and all intersections are estimated to be close to true width. These holes expanded to the extent of the Capire mineralization in the north and south direction, while the zone remains open for further expansion to the east.

IMPACT Silver President and CEO, Fred Davidson, comments, “The Capire zone is unlike most of the vein mineralization found throughout the district. We are looking for polymetallic VMS prospects, and will initially be running mineralized material through the 200 tpd pilot plant to accurately determine what we are working with. Often benchscale tests are run on 500 tonnes of ore, providing a level of accuracy of about 70%. Our plan is to run a benchscale test with 60,000 tonnes of ore, to achieve a level of accuracy of about 95%.” IMPACT engineers are now studying the possibility of expanding the open pit plan to incorporate some of these additional drill results.

The current combined Measured and Indicated Mineral Resource Estimate at the Capire Deposit totals 7.2 million oz. silver, 30,446 oz. gold, 95.6 million lbs. zinc and 37.2 million lbs. lead (see IMPACT Silver news release dated [February 1, 2011](#) for details).

Wojtek Jakubowski, P. Geo., a Qualified Person under the meaning of Canadian National Instrument 43-101, is responsible for the technical content of this news release.

IMPACT Silver Corp. is a silver-focused mining and exploration company operating in Mexico. With 100% ownership of the producing operations in the 423-square-kilometer Royal Mines of Zacualpan Silver District and the 200-square-kilometer Mamatla Silver District which includes Capire, IMPACT is well positioned to grow into a multimillion ounce silver producer. IMPACT also has a 16.5% shareholder position in Defiance Silver Corp., a silver exploration company that is advancing IMPACT’s 200-tpd mill and mineral concessions toward production in the Zacatecas Silver District. Additional information including photos of construction activity at Capire can be found on the Company website at [www.IMPACTSilver.com](http://www.IMPACTSilver.com).

On behalf of the directors of IMPACT Silver Corp.,

“Frederick W. Davidson”

President & CEO

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and forward-looking statements may vary materially from those described herein. IMPACT does not assume the obligation to update any forward-looking statement.

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